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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 3, 2013

Erez Goldgraber
Bromide Mining
2335 Northwest 107th Avenue
Suite 2M-46
Doral, Florida 33712

Kim Wilson
Bromide Mining
P.O. Box 121
Hanksville, Utah 84734

Subject: Reclamation Surety Required, Bromide Mining LLC., Bromide Basin Mine, S/017/0031, Garfield County, Utah

Dear Messrs. Goldgraber and Wilson:

The referenced amended Notice of Intention to Commence Small Mining Operations (NOI), received by the Division of Oil, Gas and Mining on September 30, 2013, is complete **with the exception of the reclamation bonding requirement, original signature in Section VII of the NOI and a map showing the location of the proposed portal by the Henrietta mill site.** The required reclamation surety is \$57,600.00. This was determined based on information in the following table.

Small Mining Operation 5 Acres or Smaller

Project Size (Acres)	Surety 3 & 5 year escalation 2013	Comments
Cumulative Amount for 5 acres	\$30,900 (5-year escalation) +\$3,500.00 to mob/demob a dozer	\$34,400.00
Portal	\$4,100/opening x 4 openings	\$16,400.00
Equipment removal	Assume 15 trips @ \$450/trip	\$ 6,750.00
Total	Rounded to nearest \$100	\$57,600.00

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The Division is modifying the standard bond calculations because of the characteristics of the mine. The Division believes that a track hoe and a dozer will be needed to complete the work. The Division is including an additional \$3,500.00 to mobilize and demobilize a dozer.

The BLM calculates the portal closures at \$4,100.00 per portal. There are two portals on the site, and you have proposed to construct two additional portals for a total of four. The total for portal closures is \$16,400.00.

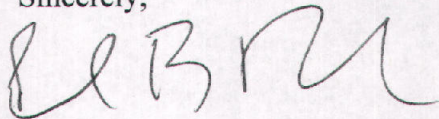
The site has buildings, equipment, and storage containers. The Division believes this can be removed with 15 trips by a 6 X 4, 450-horsepower tractor trailer. Round trip time to Hanksville is estimated to be three hours. Rental for the truck is \$19.74/hour. The operating cost is \$63.35/hour for a total of \$83.39. Add to this 10 percent overhead and profit plus a driver at \$56.05/hour, and the total cost is \$147.84/hour. Round this to \$150.00/hour, and the cost of each three-hour trip is \$450.00. The total cost for 15 trips is \$6750.00.

Please submit the reclamation surety and reclamation contract within the next 30 days. No mining related disturbance may be created until the surety is received and approved and you have received written acceptance from this office as well as other applicable agencies.

The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. Please contact Penny Berry at 801-538-5291 or by e mail at pennyberry@utah.gov for assistance in completing this requirement.

Please contact me at 801-538-5261 or Wayne Western at 801-538-5263 if you have any questions regarding this letter. In reply please refer to file number S/017/0031.

Sincerely,



Paul B. Baker
Minerals Program Manager

PBB: whw: eb

cc: Sue Fivecoat, Hanksville BLM (sfivecoa@blm.gov)
John Reay, Hanksville BLM (jreay@blm.gov)

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